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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re

FIRST MAGNUS FINANCIAL
CORPORATION,

Debtor.

Chapter 11 Proceeding

No. 4:07-bk-01578-JMM

**MOTION OF WNS NORTH AMERICA,
INC. FOR TEMPORARY ALLOWANCE
OF ITS REJECTION DAMAGES CLAIM
FOR VOTING PURPOSES**

(HEARING TO BE REQUESTED)

WNS North America, Inc. ("WNS"), by and through its duly authorized attorneys undersigned, hereby files this Motion for temporary allowance of its rejection damages claim for voting purposes pursuant to 11 U.S.C. §§ 1126(a), 105, and Bankruptcy Rule 3018(a). On January 30, 2008, the debtor, First Magnus Financial Corporation ("First Magnus" or the "Debtor"), filed an eleventh-hour objection styled First Magnus Financial Corporation's Third Omnibus Objection to Untimely Filed Claims Pursuant to 11 U.S.C. §§ 502(b)(9) and 105, Bankruptcy Rule 3007, and Local Rule 3007-1 (the "Objection"). The Objection included an improper objection to the claim for rejection damages in the amount of \$11,679,282.15 filed by WNS on January 4, 2008 (the "WNS Rejection Damages Claim"), on the grounds that the WNS Rejection Damages Claim was purportedly filed 1 day late. Because Ballots on the Debtor's plan had to be received by the Debtor within 2 days after the unfounded Objection was filed

1 (while the lawyers in this case were in all-day depositions), WNS filed its Ballots rejecting
2 Debtor's plan, including a Ballot with respect to the WNS Rejection Damages Claim, before
3 filing this Motion for Temporary Allowance.

4 WNS should be allowed to cast a Ballot on the Debtor's Second Amended Plan of
5 Liquidation Filed by First Magnus Financial Corporation Dated January 4, 2007 [sic] (the
6 "Plan") with respect to each of its claims, including the WNS Rejection Damages Claim, since
7 the claim is not untimely. This Court conducted a hearing on December 7, 2007 on the Debtor's
8 objection to the proposed form of Order rejecting its executory contracts with WNS (the
9 "Rejection Hearing"). As the Court will recall, the Debtor and the Official Committee of
10 Unsecured Creditors objected to the Order submitted by WNS, because it provided for the
11 rejection of *all* unexpired contracts between WNS and the Debtor. There had been some
12 confusion, primarily on the part of the Debtor, leading to the vacating by the Court of its prior
13 Order rejecting these same contracts. At the Rejection Hearing, the Court (after noting that the
14 Debtor's conduct in this matter raised in the Court's mind the desirability then and there of
15 converting the Case into one under Chapter 7) ruled that the entire relationship between WNS
16 and the Debtor was severed. The Court then gave WNS 30 days to file its rejection claim (the
17 same amount of time after the Confirmation Date that the Plan provides for Executory Contracts
18 that are rejected thereby to file their Claims¹), deciding that it would not need to issue a new
19 Order, merely applying the prior rejection order *mutatis mutandis* to the revised circumstance.
20 Thirty days from the date of the Rejection Hearing was January 6, 2008. Since that date fell on a
21 weekend, WNS filed the WNS Rejection Damages Claim on Friday, January 4, 2008. Therefore,
22 the Rejection Damages Claim was timely.

23 Hearing on confirmation of the Plan is scheduled to commence on February 7, 2008 (the
24 "Plan Confirmation Hearing"). Pursuant to the Objection and accompanying Notice, WNS is not
25 required to respond to the Objection until February 14, 2008, which is after the initial date for

26 ¹ Plan §8 1: "[A]ny and all Creditors or persons with Claims against the Debtor's
27 Estate arising out of or in connection with or due to the rejection of an Executory Contract or
28 Unexpired Lease pursuant to the Plan shall have thirty (30) days from the Confirmation Date
within which to file a proof of claim in the true amount of such Claims."

1 the Plan Confirmation Hearing. The Objections have not been adjudicated by the Court and, as a
2 result, WNS does not yet have an allowed claim pursuant to 11 U.S.C. § 502 that may vote on
3 the Debtor's Plan under 11 U.S.C. § 1126(a).

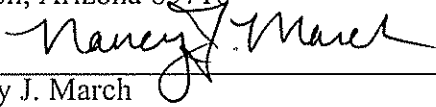
4 Bankruptcy Rule 3018(a) provides that, "[n]otwithstanding objection to a claim or
5 interest, the court after notice and hearing may temporarily allow the claim or interest in an
6 amount which the court deems proper for the purpose of accepting or rejecting a plan." The
7 decision to temporarily allow a claim is left to the court's discretion. *In re Marin Town Ctr.*, 142
8 B.R. 374, 379 (N.D. Cal. 1992). Temporary allowance of a claim is proper when fully hearing
9 and deciding upon an objection would delay administration of the case. *See In re Armstrong*,
10 294 B.R. 344, 354 (10th Cir. B.A.P. 2003) (quoting 9 Collier on Bankruptcy ¶ 3018.01[5]
11 (Lawrence P. King ed., 15th ed. 2003)). Temporarily allowing the WNS Rejection Claim is
12 appropriate in this liquidating case given that no distributions are expected to occur for some
13 time, and since the deadline to respond to the Objection has not yet occurred.

14 Accordingly, WNS respectfully requests that the WNS Rejection Damages Claim in the
15 amount of \$11,679,282.15 be temporarily allowed in that amount for purposes of voting to
16 accept or reject the Plan. WNS further requests such additional and other relief as is necessary
17 and appropriate under the circumstances of this case.

18 DATED: February 6th, 2008

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25 COPIES of the foregoing were
26 delivered by electronic mail this
27 6th day of February, 2008, to:
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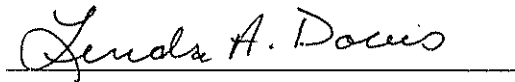
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